

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



E-01749A
Graham County Electric Cooperative, Inc.
PO Drawer B
Pima, AZ 85543

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

ANN 01	06
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RECEIVED

ARIZONA CORPORATION COMMISSION
Director Utilities

PROCESSED BY:

4-9-07RF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Graham County Electric Cooperative, Inc.

Mailing Address PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address russb@gce.coop

Local Office Mailing Address PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address russb@gce.coop

MANAGEMENT INFORMATION

Management Contact: Russ Barney Finance Manager
(Name) (Title)

PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address russb@gce.coop

On Site Manager: Steve Lines
(Name)

PO Drawer B
(Street)

Pima
(City)

Arizona
(State)

85543
(Zip)

(928) 485-2451 (928) 485-9491 (928) 651-6024
ne No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address slines@gce.coop

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Leven B. Ferrin
(Name)
1536 Cherokee Lane Safford Arizona 85546
(Street) (City) (State) (Zip)

(928) 428-1602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michael M. Grant
(Name)
2575 East Camelback Road Phoenix Arizona 85016-9225
(Street) (City) (State) (Zip)

(602) 530-8000

Telephone No. (Include Area Code)

(602) 530-8500

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input checked="" type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input checked="" type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

SERVICES AUTHORIZED TO PROVIDE

Check the following box/es for the services that you are authorized to provide:

☒ **Electric**

- ☐ Investor Owned Electric
- ☒ Rural Electric Cooperative
- ☐ Utility Distribution Company
- ☐ Electric Service Provider
- ☐ Transmission Service Provider
- ☐ Meter Service Provider
- ☐ Meter Reading Service Provider
- ☐ Billing and Collection
- ☐ Ancillary Services
- ☐ Generation Provider
- ☐ Aggregator/Broker

☐ **Telecommunications**

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provider

☐ **Gas**

- ☐ Natural Gas
- ☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residence local exchange access lines	_____
Total business local exchange access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	
Residential	6,965
Commercial	750
Industrial	2
Public street and highway lighting	3
Irrigation	515
Resale	
Total kilowatt-hours sold	kWh
Residential	63,478,590
Commercial	54,529,030
Industrial	2,400,240
Public street and highway lighting	128,700
Irrigation	15,012,163
Resale	
Maximum Peak Load	40 MW

GAS UTILITIES ONLY

Total number of customers	
Residential	
Commercial	
Industrial	
Irrigation	
Resale	
Total therms sold	therms
Residential	
Commercial	
Industrial	
Irrigation	
Resale	

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham
NAME (OWNER OR OFFICIAL) TITLE Steve M. Lines General Manager
COMPANY NAME Graham County Electric Cooperative, Inc.

AZ CORP COMM
Director Utilities

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 14,991,236.00

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 903,436.66
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

Steve M. Lines
SIGNATURE OF OWNER OR OFFICIAL
(928) 485-2451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 14th DAY OF

COUNTY NAME Graham	
MONTH <u>April</u>	<u>20 08</u>

(SEAL)
OFFICIAL SEAL
SUSAN ROMNEY
Notary Public - State of Arizona
GRAHAM COUNTY
My Comm. Expires Aug. 2, 2008
MY COMMISSION EXPIRES 08/02/2008

Susan Romney
SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

AZ CORP COMM
Director Utilities

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Graham	
NAME (OWNER OR OFFICIAL)	Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Electric Cooperative, Inc.		

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 7,217,874.14

(THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 443,296.33

IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.



X Steve M Lines
SIGNATURE OF OWNER OR OFFICIAL
(928) 485-2451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

4th

DAY OF

(SEAL)

MY COMMISSION EXPIRES 08/02/2008

NOTARY PUBLIC NAME <u>Susan Romney</u>	
COUNTY NAME <u>Graham</u>	
MONTH <u>April</u>	20 <u>07</u>

X Susan Romney
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2006) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION FINANCIAL AND STATISTICAL REPORT Submit one electronic copy and one signed hard copy to CFC. Round all numbers to the nearest dollar.	BORROWER DESIGNATION AZ017
	BORROWER NAME GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.
	ENDING DATE 12/31/2006

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Russ Barney 3/23/07
 Signature of Office Manager or Accountant Date

Steve M. Lutz 3-23-07
 Signature of Manager Date

NEW AUTHORIZATION CHOICES

A. NRECA uses rural electric system data for legislative, regulatory and other purposes. May we provide this report from your system to NRECA?

NRECA

☒ YES

☐ NO

B. Will you authorize CFC to share your data with other co-ops on Cooperative.com's website?

Cooperative.com

☐ YES

☒ NO

PART A. STATEMENT OF OPERATIONS

ITEM	YEAR-TO-DATE			THIS MONTH (d)
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	
1. Operating Revenue and Patronage Capital	12,013,165	14,087,799	12,946,988	1,109,776
2. Power Production Expense	0	0	0	0
3. Cost of Purchased Power	7,714,390	9,448,643	8,488,062	732,359
4. Transmission Expense	47,042	40,045	49,848	2,762
5. Distribution Expense - Operation	433,399	475,802	453,377	40,832
6. Distribution Expense - Maintenance	1,011,195	1,277,260	1,025,362	99,756
7. Consumer Accounts Expense	312,311	365,103	324,340	28,192
8. Customer Service and Informational Expense	0	0	0	0
9. Sales Expense	0	0	0	0
10. Administrative and General Expense	827,769	836,933	860,088	86,302
11. Total Operation & Maintenance Expense (2 thru 10)	10,346,106	12,443,786	11,201,077	990,203
12. Depreciation & Amortization Expense	762,757	861,319	823,742	73,235
13. Tax Expense - Property & Gross Receipts	0	0	0	0
14. Tax Expense - Other	0	0	0	0
15. Interest on Long-Term Debt	964,298	1,011,804	924,528	93,437
16. Interest Charged to Construction (Credit)	0	0	0	0
17. Interest Expense - Other	6,609	10,233	7,896	759
18. Other Deductions	0	0	0	0
19. Total Cost of Electric Service (11 thru 18)	12,079,770	14,327,142	12,957,243	1,157,634
20. Patronage Capital & Operating Margins (1 minus 19)	(66,605)	(239,343)	(10,255)	(47,858)
21. Non Operating Margins - Interest	56,584	85,795	53,690	7,812
22. Allowance for Funds Used During Construction	0	0	0	0
23. Income (Loss) from Equity Investments	0	0	0	0
24. Non Operating Margins - Other	16,063	16,063	16,063	1,339
25. Generation & Transmission Capital Credits	0	0	0	0
26. Other Capital Credits & Patronage Dividends	81,524	117,853	81,524	0
27. Extraordinary Items	0	0	0	0
28. Patronage Capital or Margins (20 thru 27)	87,566	(19,632)	141,022	(38,707)

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	196	266	5. Miles Transmission	79	79
2. Services Retired	0	0	6. Miles Distribution Overhead	1,045	1,053
3. Total Services In Place	8,743	9,009	7. Miles Distribution Underground	26	26
4. Idle Services (Exclude Seasonal)	0	0	8. Total Miles Energized (5+6+7)	1,150	1,158

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017	
		YEAR ENDING 12/31/2006	
PART C. BALANCE SHEET			
ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	29,292,960	28. Memberships	29,160
2. Construction Work in Progress	1,012,289	29. Patronage Capital	7,929,042
3. Total Utility Plant (1+2)	30,305,249	30. Operating Margins - Prior Years	0
4. Accum. Provision for Depreciation and Amort	10,398,004	31. Operating Margins - Current Year	(239,343)
5. Net Utility Plant (3-4)	19,907,245	32. Non-Operating Margins	219,711
6. Nonutility Property - Net	0	33. Other Margins & Equities	8,666
7. Investment in Subsidiary Companies	0	34. Total Margins & Equities (28 thru 33)	7,947,236
8. Invest. in Assoc. Org. - Patronage Capital	1,413,233	35. Long-Term Debt CFC (Net)	14,654,311
9. Invest. in Assoc. Org. - Other - General Funds	605,570	(Payments-Unapplied (\$ _____))	0
10. Invest in Assoc. Org. - Other - Nongeneral Funds	0	36. Long-Term Debt - Other (Net)	297,146
11. Investments in Economic Development Projects	0	(Payments-Unapplied (\$ _____))	0
12. Other Investments	47,383	37. Total Long-Term Debt (35+36)	14,951,457
13. Special Funds	0	38. Obligations Under Capital Leases	0
14. Total Other Property & Investments (6 thru 13)	2,066,186	39. Accumulated Operating Provisions - Asset Retirement Obligations	0
15. Cash-General Funds	874,690	40. Total Other Noncurrent Liabilities (38+39)	0
16. Cash-Construction Funds-Trustee	0	41. Notes Payable	0
17. Special Deposits	3,124	42. Accounts Payable	1,033,063
18. Temporary Investments	0	43. Consumers Deposits	151,342
19. Notes Receivable - Net	122,347	44. Current Maturities Long-Term Debt	219,900
20. Accounts Receivable - Net Sales of Energy	1,069,251	45. Current Maturities Long-Term Debt-Economic Dev.	0
21. Accounts Receivable - Net Other	(160,372)	46. Current Maturities Capital Leases	0
22. Materials & Supplies - Electric and Other	458,056	47. Other Current & Accrued Liabilities	509,599
23. Prepayments	86,061	48. Total Current & Accrued Liabilities (41 thru 47)	1,913,904
24. Other Current & Accrued Assets	27,799	49. Deferred Credits	0
25. Total Current & Accrued Assets (15 thru 24)	2,480,956	50. Total Liabilities & Other Credits (34+37+40+48+49)	24,812,597
26. Deferred Debits	358,210		
27. Total Assets & Other Debits (5+14+25+26)	24,812,597		
		ESTIMATED CONTRIBUTION-IN-AID-OF-CONSTRUCTION	
		Balance Beginning of Year	2,633,480
		Amounts Received This Year (Net)	371,049
		TOTAL Contributions-In-Aid-Of-Construction	3,004,529
PART D. THE SPACE BELOW IS PROVIDED FOR IMPORTANT NOTES REGARDING THE FINANCIAL STATEMENT CONTAINED IN THIS REPORT.			

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017				
		YEAR ENDING 12/31/2006				
PART E. CHANGES IN UTILITY PLANT						
ITEM	BALANCE BEGINNING OF YEAR (a)	ADDITIONS (b)	RETIREMENTS (c)	ADJUSTMENTS AND TRANSFER (d)	BALANCE OF YEAR (e)	DEPRECIA- TION RATE % (f)
1. Land and Land Rights (360)	47,810	0	0	0	47,810	
2. Structures and Improvements (361)	0	0	0	0	0	
3. Station Equipment (362)	5,622,376	12,512	0	0	5,634,888	2.94%
4. Storage Battery Equipment	0	0	0	0	0	
5. Poles, Towers, and Fixtures (364)	5,872,158	266,387	11,546	0	6,126,999	2.94%
6. Overhead Conductors and Devices (365)	3,098,919	235,109	7,749	0	3,326,279	2.94%
7. Underground Conduit (366)	522,344	0	0	0	522,344	2.94%
8. Underground Conductors and Devices (367)	562,693	21,446	0	0	584,139	2.94%
9. Line Transformers (368)	4,653,008	418,219	6,061	0	5,065,166	2.94%
10. Services (369)	1,107,662	43,968	0	0	1,151,630	2.94%
11. Meters (370)	919,215	80,401	0	0	999,616	2.94%
12. Installation on Consumer's Premises (371)	189,008	18,384	0	0	207,392	2.94%
13. Leased Property on Consumer's Premises (372)	0	0	0	0	0	
14. Street Lighting (373)	0	0	0	0	0	
15. SUBTOTAL: Distribution (1 thru 14)	22,595,193	1,096,426	25,356	0	23,666,263	
16. Land and Land Rights (See Line 26)						
17. Structures and Improvements (See Line 26)						
18. Office Furniture & Equipment (391)	321,476	1,785		0	323,261	10.00%
19. Transportation Equipment (392)	1,649,843	38,224	0	0	1,688,067	20.00%
20. Stores, Tools, Shop, Garage, and Laboratory Equipment (393, 394, 395)	208,467	11,970	0	0	220,437	4.80%
21. Power-Operated Equipment (396)	183,405	4,676	0	0	188,081	6.50%
22. Communication Equipment (397)	231,972	42,345	0	0	274,317	6.50%
23. Miscellaneous Equipment (398)	3,152	0	0	0	3,152	6.50%
24. Other Tangible Property (399)	0	0	0	0	0	
25. SUBTOTAL: General Plant (18 thru 24)	2,598,315	99,000	0	0	2,697,315	
26. Headquarters Plant (389 & 390)	374,758	0	0	0	374,758	
27. Intangibles (301, 302, 303)	3,060	0	0	0	3,060	
28. Land and Land Rights, Roads and Trails (350, 359)	7,254	0	0	0	7,254	
29. Structures and Improvements (352)	0	0	0	0	0	
30. Station Equipment (353)	144,717	0	0	0	144,717	2.75%
31. Towers and Fixtures and Poles and Fixtures (354, 355)	1,643,066	0	0	0	1,643,066	2.75%
32. Overhead, Conductors, and Devices (356)	756,527	0	0	0	756,527	2.75%
33. Underground Conduit (357)	0	0	0	0	0	
34. Underground Conductor & Devices (358)	0	0	0	0	0	
35. SUBTOTAL: Transmission Plant (28 thru 34)	2,551,564	0	0	0	2,551,564	
36. Production Plant - Steam (310-316)	0	0	0	0	0	
37. Production Plant - Nuclear (320-325)	0	0	0	0	0	
38. Production Plant - Hydro (330-336)	0	0	0	0	0	
39. Production Plant - Other (340-346)	0	0	0	0	0	
40. All Other Utility Plant (102, 104-106, 114, 118)	0	0	0	0	0	
41. SUBTOTAL:(15+25+26+27+35 thru 40)	28,122,890	1,195,426	25,356	0	29,292,960	
42. Construction Work in Progress (107)	491,702	520,587			1,012,289	
43. TOTAL UTILITY PLANT (41+42)	28,614,592	1,716,013	25,356	0	30,305,249	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017					
		YEAR ENDING 12/31/2006					
PART F. ANALYSIS OF ACCUMULATED PROVISION FOR DEPRECIATION - TOTAL ELECTIC PLANT							
	ITEM	DISTRIBUTION PLANT (a)	GENERAL PLANT (b)	TRANSMISSION PLANT (c)	OTHER PLANT (d)		
1.	Balance Beginning of Year	6,755,426	2,083,055	611,272	0		
2.	Additions - Depreciation Accruals Charged to:						
	a. Depreciation Expense	676,866	114,484	69,969	0		
	b. Clearing Accounts and Others	0	144,206	0	0		
	c. Subtotal (a+b)	676,866	258,690	69,969	0		
3.	Less - Plant Retirements:						
	a. Plant Retired	25,355	0	0	0		
	b. Removal Costs	31,919	0	0	0		
	c. Subtotal (a+b)	57,274	0	0	0		
4.	Plus Salvaged Materials	0	0	0	0		
5.	TOTAL (2c - 3c + 4)	619,592	258,690	69,969	0		
6.	Other Adjustments - Debit or Credit	0	0	0	0		
7.	Balance End of Year (1+5+6)	7,375,018	2,341,745	681,241	0		
<p align="center">AS OF 12/31/98 CFC NO LONGER REQUIRES SECTIONS "G", "N" AND "P" DATA</p> <p align="center">Those sections refer to data on, "Materials and Supplies" (G), "Annual Meeting and Board Data" (N), and Conservation Data" (P).</p>							
PART H. SERVICE INTERRUPTIONS							
	ITEM	Avg. Hours per Consumer by Cause Power Supplier (a)	Avg. Hours per Consumer by Cause Extreme Storm (b)	Avg. Hours per Consumer by Cause Prearranged (c)	Avg. Hours per Consumer by Cause All Other (d)	TOTAL (e)	
1.	Present Year	0.00	2.37	0.00	0.61	2.98	
2.	Five-Year Average	0.00	1.78	0.00	1.18	2.96	
PART I. EMPLOYEE - HOUR AND PAYROLL STATISTICS							
1.	Number of Full Time Employees	25	4.	Payroll - Expensed		873,096	
2.	Employee - Hours Worked - Regular Time	51,478	5.	Payroll - Capitalized		210,426	
3.	Employee - Hours Worked - Overtime	3,826	6.	Payroll - Other		380,478	
PART J. PATRONAGE CAPITAL				PART K. DUE FROM CONSUMERS FOR ELECTRIC SERVICE			
	ITEM	THIS YEAR (a)	CUMULATIVE (b)				
1.	General Retirement	0	749,541	1. Amount Due Over 60 Days: 22,244			
2.	Special Retirements	0	0				
3.	Total Retirements (1+2)	0	749,541	2. Amount Written Off During Year:			
4.	Cash Received from Retirement of Patronage Capital by Suppliers of Electric Power	0		23,078			
5.	Cash Received from Retirement of Patronage Capital by Lenders for Credit Extended to the Electric System	78,900					
6.	Total Cash Received (4+5)	78,900					
PART L. KWH PURCHASED AND TOTAL COST							
	NAME OF SUPPLIER (a)	CFC USE ONLY SUPPLIER CODE (b)	KWH PURCHASED (c)	TOTAL COST (d)	AVERAGE COST PER KWH (cents) (e)	INCLUDED IN TOTAL COST	
						FUEL COST ADJUSTMENT (f)	WHEELING & OTHER CHARGES (or Credits) (g)
1.	Arizona Electric Power Cooperative		148,962,237	9,862,636	6.62	1,068,869	0
2.			0	0	0.00	0	0
3.			0	0	0.00	0	0
4.			0	0	0.00	0	0
	TOTALS		148,962,237	9,862,636	6.62	1,068,869	0

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION				
		AZ017				
		YEAR ENDING 12/31/2006				
PART M. LONG-TERM LEASES (If additional space is needed, use separate sheet)						
LIST BELOW ALL "RESTRICTED PROPERTY" ** HELD UNDER "LONG TERM" LEASE. (If none, State "NONE")						
	NAME OF LESSOR	TYPE OF PROPERTY	RENTAL THIS YEAR			
1.			\$0			
2.						
3.	TOTAL				\$0	
<p>** "RESTRICTED PROPERTY" means all properties other than automobiles, trucks, tractors, other vehicles (including without limitation aircraft and ships), office and warehouse space and office equipment (including without limitation computers). "LONG TERM" means leases having unexpired terms in excess of 3 years and covering property having an initial cost in excess of \$250,000).</p>						
PART O. LONG-TERM DEBT SERVICE REQUIREMENTS						
	NAME OF LENDER		BILLED THIS YEAR			CFC USE ONLY (e)
		BALANCE END OF YEAR	INTEREST (a)	PRINCIPAL (b)	TOTAL (c)	
1.	National Rural Utilities Cooperative Finance Corporation	14,858,211	986,287	195,648	1,181,935	
2.	NRECA Past Service Pension Costs	164,238	25,517	30,816	56,333	
3.	Accumulated Provision for Post Retirement Benefits	148,908	0	0	0	
4.	Current Maturities of Long-Term Debt	(219,900)	0	0	0	
5.		0	0	0	0	
6.		0	0	0	0	
7.		0	0	0	0	
8.		0	0	0	0	
9.		0	0	0	0	
10.	TOTAL (Sum of 1 thru 9)	\$14,951,457	\$1,011,804	\$226,464	\$1,238,268	

CFC FINANCIAL AND STATISTICAL REPORT		BORROWER DESIGNATION AZ017					
		YEAR ENDING 12/31/2006					
PART R. POWER REQUIREMENTS DATA BASE							
CLASSIFICATION	CONSUMER SALES & REVENUE DATA	JANUARY (a)	FEBRUARY (b)	MARCH (c)	APRIL (d)	MAY (e)	JUNE (f)
1. Residential Sales (excluding seasonal)	a. No. Consumers Served	6,668	6,693	6,739	6,741	6,755	6,785
	b. KWH Sold	4,482,140	4,064,534	4,246,295	3,728,995	4,234,090	7,390,293
	c. Revenue	465,865	428,413	444,650	398,391	474,756	783,376
2. Residential Sales - Seasonal	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
3. Irrigation Sales	a. No. Consumers Served	427	448	676	727	770	774
	b. KWH Sold	58,180	201,410	1,678,272	2,362,335	1,541,031	2,843,348
	c. Revenue	15,131	28,531	169,674	234,470	169,223	300,033
4. Comm. and Ind. 1000 KVA or Less	a. No. Consumers Served	712	713	708	712	719	728
	b. KWH Sold	1,842,340	1,811,941	2,022,708	1,869,605	2,072,906	2,966,095
	c. Revenue	177,696	174,914	193,114	179,812	213,523	300,874
5. Comm. and Ind. Over 1000 KVA	a. No. Consumers Served	13	14	13	13	13	13
	b. KWH Sold	2,447,240	1,989,400	2,090,600	2,223,340	2,211,440	2,839,380
	c. Revenue	205,532	167,236	175,678	186,794	202,267	259,552
6. Public Street & Highway Lighting	a. No. Consumers Served	3	3	3	3	3	3
	b. KWH Sold	10,725	10,725	10,725	10,725	10,725	10,725
	c. Revenue	923	923	923	1,003	1,003	923
7. Other Sales to Public Authority	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
8. Sales for Resales-REA Borrowers	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
9. Sales for Resales-Other	a. No. Consumers Served	0	0	0	0	0	0
	b. KWH Sold	0	0	0	0	0	0
	c. Revenue	0	0	0	0	0	0
10. TOTAL No. of Consumers (lines 1a thru 9a)		7,823	7,871	8,139	8,196	8,260	8,303
11. TOTAL KWH Sold (lines 1b thru 9b)		8,840,625	8,078,010	10,048,600	10,195,000	10,070,192	16,049,841
12. TOTAL Revenue Received From Sales of Electric Energy (line 1c thru 9c)		865,148	800,017	984,041	1,000,470	1,060,772	1,644,758
13. Other Electric Revenue		16,647	14,852	17,912	17,317	22,831	27,243
14. KWH - Own Use		16,668	10,925	12,161	21,272	20,666	24,180
15. TOTAL KWH Purchased		9,680,210	8,440,025	11,751,212	10,851,739	13,969,528	18,551,139
16. TOTAL KWH Generated		0	0	0	0	0	0
17. Cost of Purchases and Generation		545,050	507,793	644,753	738,672	974,387	1,179,260
18. Interchange - KWH - Net		0	0	0	0	0	0
19. Peak - Sum All KW Input (Metered) Non-coincident <u> X </u> Coincident <u> </u>		17,789	16,622	20,275	20,979	30,484	38,723

CFC FINANCIAL AND STATISTICAL REPORT					BORROWER DESIGNATION AZ017			
					YEAR ENDING 12/31/2006			
PART R. POWER REQUIREMENTS DATA BASE (Continued)								
(See preceding page 6 of CFC Form 7 for Headings of Line Item numbers below.)								
LINE ITEM NUMBER		JULY (g)	AUGUST (h)	SEPTEMBER (i)	OCTOBER (j)	NOVEMBER (k)	DECEMBER (l)	TOTAL (Column a thru l) (m)
1	a.	6,778	6,824	6,895	6,873	6,899	6,965	6,817
	b.	7,829,187	6,868,012	7,042,085	4,771,833	3,622,569	5,198,557	63,478,590
	c.	826,353	732,801	733,599	517,990	408,886	559,499	6,774,578
2	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
3	a.	785	788	812	785	544	515	471
	b.	3,542,247	1,403,158	803,312	368,611	113,701	96,558	15,012,163
	c.	369,759	157,576	96,320	51,041	22,962	18,816	1,633,536
4	a.	710	722	727	732	732	736	724
	b.	2,878,720	2,648,859	2,867,772	2,314,485	1,835,968	2,210,731	27,342,130
	c.	292,127	269,967	284,926	232,224	186,613	222,343	2,728,134
5	a.	13	13	13	13	14	14	14
	b.	2,841,180	2,421,320	2,658,220	2,409,040	2,515,360	2,940,620	29,587,140
	c.	259,749	221,501	237,032	214,912	224,409	262,143	2,616,805
6	a.	3	3	3	3	3	3	3
	b.	10,725	10,725	10,725	10,725	10,725	10,725	128,700
	c.	1,003	1,004	979	979	979	979	11,624
7	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
8	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
9	a.	0	0	0	0	0	0	0
	b.	0	0	0	0	0	0	0
	c.	0	0	0	0	0	0	0
10		8,289	8,350	8,450	8,406	8,192	8,233	8,028
11		17,102,059	13,352,074	13,382,114	9,874,694	8,098,323	10,457,191	135,548,723
12		1,748,992	1,382,849	1,352,855	1,017,146	843,849	1,063,779	13,764,676
13		28,919	26,536	69,549	18,205	17,114	45,998	323,124
14		22,978	34,515	18,880	9,343	9,415	21,305	222,308
15		18,808,263	14,194,386	11,479,622	10,086,442	9,641,149	11,508,522	148,962,237
16		0	0	0	0	0	0	0
17		1,221,791	973,138	822,422	763,264	707,893	784,213	9,862,636
18		0	0	0	0	0	0	0
19		40,097	29,843	26,142	24,477	20,832	21,530	40,097

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments refer to your most recent CFC Loan Agreement) Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		BORROWER DESIGNATION AZ017 BORROWER NAME GRAHAM COUNTY ELECTRIC COOPERATIVE, INC. MONTH ENDING 12/31/06	
7a - PART 1 - INVESTMENTS			
DESCRIPTION (a)	INCLUDED (\$) (b)	EXCLUDED (\$) (c)	INCOME OR LOSS (d)
2. INVESTMENTS IN ASSOCIATED ORGANIZATIONS			
5 Arizona electric Power Cooperative, Inc.	1,408,128	0	0
6 Arizona electric Power Cooperative, Inc.	5	0	0
7 Grand Canyon State Electric Cooperative	100	0	0
8 Graham County Utilities, Inc.	5,000	0	0
Subtotal (Line 5 thru 8)	1,413,233	0	0
3. INVESTMENTS IN ECONOMIC DEVELOPMENT PROJECTS			
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
Subtotal (Line 9 thru 12)	0	0	0
4. OTHER INVESTMENTS			
13 Investment in National Rural Utilities Cooperative Finance Corporation	0	424,433	6,503
14 National Rural Utilities Cooperative Finance Corporation Membership	0	1,000	0
15 National Rural Utilities Cooperative Finance Corporation Patronage Capital	0	180,137	78,161
16 Investment in Federated Insurance	0	47,383	2,126
Subtotal (Line 13 thru 16)	0	652,953	86,790
5. SPECIAL FUNDS			
17	0	0	0
18	0	0	0
19	0	0	0
20	0	0	0
Subtotal (Line 17 thru 20)	0	0	0
6. CASH - GENERAL			
21 Chase Bank	1,632,686	100,000	59,224
22 Change Fund	0	1,800	0
23	0	0	0
24	0	0	0
Subtotal (Line 21 thru 24)	1,632,686	101,800	59,224
7. SPECIAL DEPOSITS			
25 State Compensation Fund Deposit	3,124	0	0
26	0	0	0
27	0	0	0
28	0	0	0
Subtotal (Line 25 thru 28)	3,124	0	0
8. TEMPORARY INVESTMENTS			
29	0	0	0
30	0	0	0
31	0	0	0
32	0	0	0
Subtotal (Line 29 thru 32)	0	0	0
9. ACCOUNT & NOTES RECEIVABLE - NET			
33 Note Receivable - Graham County Utilities, Inc.	122,347	0	10,435
34 Trade Accounts Receivable	1,069,251	0	0
35	0	0	0
36	0	0	0
Subtotal (Line 33 thru 36)	1,191,598	0	10,435
10. COMMITMENTS TO INVEST WITHIN 12 MONTHS BUT NOT ACTUALLY PURCHASED			
37	0	0	0
38	0	0	0
39	0	0	0
40	0	0	0
Subtotal (Line 37 thru 40)	0	0	0
Total	4,240,641	754,753	156,449

CFC INVESTMENTS, LOAN GUARANTEES AND LOANS - DISTRIBUTION (All investments refer to your most recent CFC Loan Agreement)		BORROWER DESIGNATION AZ017			
Submit an electronic copy and a signed hard copy to CFC. Round all amounts to the nearest dollar.		BORROWER NAME GRAHAM COUNTY ELECTRIC COOPERATIVE, INC.			
		MONTH ENDING 12/31/2006			
7a - PART II. LOAN GUARANTEES					
Line No.	Organization & Guarantee Beneficiary (a)	Maturity Date of Guarantee Obligation (b)	Original Amount (\$) (c)	Performance Guarantee Exposure or Loan Balance (\$) (d)	Available Loans (Covered by Guarantees) (e)
1	CFC - Graham County Electric Cooperative, Inc.	11/1/2014	2,243,711	0	1,217,094
2	CFC - Graham County Electric Cooperative, Inc.	6/30/2026	550,000	0	470,620
3	CFC - Graham County Electric Cooperative, Inc.	9/30/2031	400,000	0	379,551
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			3,193,711	0	2,067,265
7a - PART III. LOANS					
Line No.	Name of Organization (a)	Maturity Date (b)	Original Amount (\$) (c)	Loan Balance (\$) (d)	Available Loans (e)
1	CFC - Graham County Utilities, Inc.	1/15/2010	500,000	122,347	0
2			0	0	0
3			0	0	0
4			0	0	0
5			0	0	0
TOTALS (Line 1 thru 5)			500,000	122,347	0
7a - PART IV. TOTAL INVESTMENTS AND LOANS GUARANTEES					
1	TOTAL (Part I, Total - Column b + Part II, Totals - Column d + Column e + Part III, Totals - Column d + Column e)				2,189,612
2	LARGER OF (a) OR (b)				4,545,787
	a. 15 percent of Total Utility Plant (CFC Form 7, Part C, Line 3)			4,545,787	
	b. 50 percent of Total Equity (CFC Form 7, Part C, Line 34)			3,973,618	